

STATE CONTROLLER'S OFFICE  
PERSONNEL/PAYROLL SERVICES DIVISION  
P. O. BOX 942850  
Sacramento, CA 94250-5878

DATE: October 4, 2005

PAYROLL LETTER #05-014  
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: JOHN R. HARRIGAN, Chief  
Personnel/Payroll Services DivisionRE: **RANK AND FILE BARGAINING UNIT 12 HEALTH BENEFITS RATE REFUNDS**

Pursuant to an agreement between DPA and the Union, IUOE BU12, a retroactive Health Rate adjustment will be issued to eligible rank and file bargaining unit 12 (R12) employees in early October 2005. The adjustment will be calculated on a month-by-month basis for the January through August 2005 pay periods. The new R12 2005 Health rates have been updated to reflect the recent rate increase as of the September 2005 pay period.

**REFUND CALCULATION**

The monthly refund amount will be based on the difference between the old R12 Health State Share rates and the new Health State Share rates in effect as of October 1, 2005. Rates are calculated for each monthly health deduction, according to the employee's party rate code.

Party Rate Code	New Health Rate	Old Health Rate	Monthly Refund Amount
1	\$284.00	\$226.00	\$58.00
2, 4, 7 or A	\$564.00	\$450.00	\$114.00
3, 5, 6, 8, 9 or B	\$728.00	\$589.00	\$139.00

**MONTHLY ELIGIBILITY**

To be eligible for a month's refund the employee must have been an R12 employee during the month and must have had a health deduction withheld. For example, if the employee was a newly hired R12 employee as of March 7, 2005 and received pay with health coverage with a party rate code of '2' for the March through August 2005 pay periods they would qualify for six monthly refund amounts of \$114.00 for a total refund of \$684.00.

**PAYMENT INFORMATION**

Once the amounts are determined for each eligible month, they will be summarized into one total refund amount. A 354-050 Deduction/Organization code will be used to issue the summarized refund on a Payment Type 'P' credit issue warrant which will be issued against the most current pay period being refunded. This deduction will be identified on employee's Statement of Earnings and Deductions/Direct Deposit Advice as "\*HEALTH ADJ". A global message will also be included on the statement when the refund payments for R12 employees issue.

Questions regarding this payroll letter should be directed to Sandra Young at (916) 324-1293 or via email at [syoung@sco.ca.gov](mailto:syoung@sco.ca.gov).

JRH:SY:PMAB